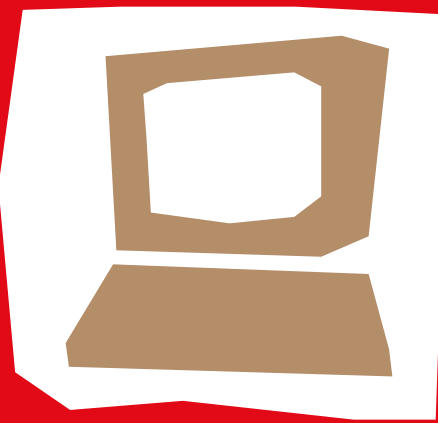
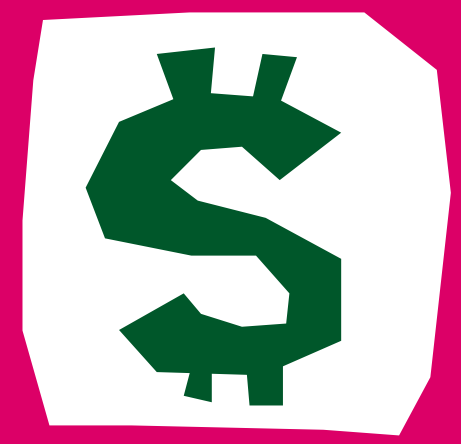


**The ABC's  
of a  
Child Care  
Business**



Volume III  
September 2002



## PREPARED BY:

Indiana Family and Social  
Services Administration  
(FSSA)

Indiana Development  
Finance Authority (IDFA)

SCORE - Service Corps of  
Retired Executives

Indiana Department of  
Environmental  
Management (IDEM)

Indiana Association of  
Child Care Resource and  
Referral (IACCRR)



## OFFICE OF THE GOVERNOR INDIANAPOLIS, INDIANA 46204-2797

FRANK O'BANNON  
GOVERNOR

Dear child care provider:

Thank you so much for your dedication and commitment to providing quality child care in Indiana. The influence you and your staff have over the youngsters in your charge is immeasurable, and I know you take your role very seriously.

My administration also takes very seriously the issue of child care and has recently been focused on helping to increase the number of quality licensed child care homes, centers and registered ministries. I'm proud to say that each of the agencies, with whom I have been working, has readily answered the call to help in this endeavor.

As part of our efforts, we are providing you with this manual that contains information from the Family and Social Services Administration on licensing procedures and information on who you can contact locally for advice and assistance. In the financing section of this manual, you will find information about a new Indiana Development Finance Authority program that is designed specifically to help you renovate, expand or rehabilitate your facility.

The manual also includes information about other financial tools that may be of use to you and which are offered by the Indiana Department of Commerce and the United States Department of Agriculture.

Thank you, again, for your dedication to the youth of Indiana. I hope this manual is helpful to you and your staff as you continue to provide the best possible care for Indiana's children.

Sincerely,

A handwritten signature in black ink that reads "Frank O'Bannon".

Frank O'Bannon



## WELCOME TO THE WORLD OF CHILD CARE

The goal of this manual is to turn the complexities of licensing, regulations and business start-up into easy-to-use information to help you become a successful child care entrepreneur.

Spanish version available upon request.

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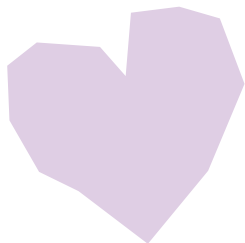
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## The Basics of Child Care Programs

### LICENSED FAMILY CHILD CARE HOMES

**For further information: 877-511-1144**

**Registration for Family Child Care Home Orientation Sessions are available online at [www.childcarefinder.IN.gov](http://www.childcarefinder.IN.gov).**

**Definition:** Care provided in a residential setting for more than five unrelated children. The provider receives compensation and cares for children for a period of more than ten consecutive days excluding intervening Saturdays, Sundays and holidays.

**Administrator Educational Requirements:** A high school diploma or a high school equivalency certificate (GED) is required to apply for a license. Documentation is required that the licensee has completed, enrolled in or agrees to complete within 3 years, a Child Development Associate (CDA) credential program or a similar program approved by the Division of Family and Children.

**Staff Training Requirements:** Universal precautions (prevention of blood borne diseases; i.e. Hepatitis B and HIV), first aid, one person on site pediatric CPR certified.

**Staff/Child Ratios:** Determined by age mix of group.

All infants - 4:1

Infants and toddler mix (if 2 of the 6 children are 16 months old and walking) - 6:1

Mixed age group with no more than 3 infants - 10:1

Mixed age group with only 3-year olds and older - 12:1

**Program Policies:** Balance of activities based upon developmental needs and interests.

**Annual Inspections:** Food, sanitation, health, program, safety and fire.

**Health Requirements:** Health exams and immunization records for children.

Health exam and yearly TB test for staff.

**Square Footage Required:** N/A except when adding three additional school-age children or operating a Class II home, in which case, you are required to have 35 square feet per child.

### CHILD CARE CENTERS

**For further information: 877-511-1144**

**Registration and reservations for Orientation Sessions are available online at [www.childcarefinder.IN.gov](http://www.childcarefinder.IN.gov).**

**Definition:** A child care center is a licensed facility designed to provide care for one or more children in a commercial building.

**Administrator Educational Requirements:** A college degree plus education and experience in early childhood development including 15 college credit hours in early childhood education.

**Staff Training Requirements:** Universal precautions (prevention of blood borne diseases; i.e. Hepatitis B and HIV), first aid, 12 hours of in-service training annually, one person on site with pediatric CPR certification .

**Staff/Child Ratios:** Ratios determined by the youngest age of the child.

Infants - 4:1

Toddlers - 5:1

Twos - 5:1

Threes - 10:1

Fours - 12:1

Fives - 15:1

School-age - 20:1

**Program Policies Requires:** Planned written activities and appropriate play/learning equipment.

**Annual Inspections:** Food, sanitation, health, program, safety and fire.

**Health Requirements:** Approved written health policies, health exams for children and staff, immunization records and negative TB test for staff.

**Square Footage Required:** 35 square feet per child indoor and 50 square feet per child outdoor.



## REGISTERED MINISTRIES

**For further information: 317-233-5414**

**Registration and reservations for Orientation Sessions are available online at [www.childcarefinder.IN.gov](http://www.childcarefinder.IN.gov).**

**Definition:** Child care operated by a religious organization.

Please note: A child care ministry that is exempt from licensing must clearly state in all of its paid promotional advertising that the child care ministry is providing child care as an extension of the ministry's church or religious ministry. A child care ministry that is exempt from licensing must be referred to in all of its paid promotional advertising as a child care ministry.

**Administrator Educational Requirements:** None.

**Staff Training Requirements:** Universal precautions (prevention of blood borne diseases; i.e. Hepatitis B and HIV).

**Staff/Child Ratios:** None.

**Program Policies:** None.

**Annual Inspections:** Fire for primary use of the building.

**Quarterly Inspections:** Sanitary and food, if applicable.

**Health Inspections:** Immunization records for children.

**Square Footage Required:** N/A.

**Voluntary Certification:** Apply for standards established for licensed centers in the areas of: Health (see Center Requirements), Food Service and Nutrition; Infant and Toddler (standards including child/staff ratios) and Safety.

## INCLUSIVE CHILD CARE

**For more information on building child care capacity for children with special needs, contact Renee Kinder: [rkinder@iaccrr.org](mailto:rkinder@iaccrr.org).**

The key to successful inclusion of young children in child care is the provision of training, technical assistance and support to involved staff. Unfortunately, ongoing training and consultative support for child care providers on the diverse needs of children—particularly children with disabilities—is not always readily available. While curricula and training models on the inclusion of children with disabilities in child care have been available for a number of years, few states have systematically attempted to infuse this knowledge base into their child care community through specialty training tied to a state system of career development or licensure. Indiana is committed to expanding access to care for children with special needs.

## THE AMERICANS WITH DISABILITY ACT (ADA)

**The ADA Information Line – 800-514-0301 (voice).**

1. Does the ADA apply to child care programs?
2. How will my child care program be affected?
3. What are the basic requirements of Title III of the ADA?

A child may not be excluded from care because of a disability unless his or her presence poses a direct threat to the health and safety of other children or requires a fundamental alteration of the program. Programs must generally make their facilities accessible to persons with disabilities. Existing facilities are subject to the readily achievable standard for barrier removal while newly constructed facilities and any altered portions of existing facilities must be fully accessible.





## NEW!

### STATE LEGISLATION REQUIRES ALL CHILD CARE PROVIDERS WHO RECEIVE GOVERNMENT VOUCHER PAYMENTS TO MEET FOURTEEN MINIMUM STANDARDS.

1. A provider shall have a working smoke detector.
2. A provider who is an individual shall provide results of an intradermal tuberculosis test for themselves as well as any individual over the age of 18 living in the provider's home. A child care facility shall provide results of an intradermal tuberculosis test for all employees of the facility.
3. All providers shall have written plans for notifying parents of illness, serious injury or death of a provider; care in an emergency and emergency evacuation plans which are posted in a conspicuous location.
4. A provider shall maintain annual certification in infant and child CPR and first aid.
5. A provider shall have at least one working telephone in each facility where care is provided.
6. A provider shall have monthly fire drills that include complete evacuation of all children and adults in the facility and maintain documentation of all drills conducted during the preceding 12 months including the date, time, name of the individual conducting the drill, the weather conditions at the time of the drill and the amount of time required to fully evacuate the facility.
7. A provider shall maintain a two and one-half (2 1/2) pound or greater ABC multiple purpose fire extinguisher on each floor of the facility and in the kitchen area of the facility.
8. A provider shall provide a safe environment by ensuring firearms, ammunition, poisons, chemicals, bleach and cleaning materials are kept in an area inaccessible to the children in their care.
9. A provider shall, at the provider's expense, provide a copy of a limited criminal history for the provider as well as any individual residing in the provider's home over the age of 18 or under the age of 18 and previously waived from juvenile court to adult court. A child care facility shall, at their expense, provide a criminal history check on all individuals employed by the facility. A provider who has been convicted of a felony is ineligible to receive a voucher payment. A provider shall report any police investigation, arrests or criminal convictions not listed on a limited criminal history of any individual employed by the facility.
10. A provider shall provide evidence that they have not been named in the State Central Registry.
11. A provider shall provide a copy of drug testing results.
12. A facility must have running water.
13. A facility must provide two exits that do not require passage through a garage, storage area, are not windows, are on different sides of the facility, are not blocked and are operable from the inside without the use of a key or any special knowledge.
14. A provider shall maintain and annually update documentation provided by the physician of each child's appropriate immunizations. An objection to meeting this standard may be based upon religious objections and/or the physician's documentation of a medical reason for the child not being immunized. Any objection must be documented.

**Please Note:** *Effective December 31, 2002*, the provider shall maintain and annually update documentation of age appropriate immunizations for each child who is cared for in the facility.

## Special Safety Tips

### CRIB SAFETY

#### USE YOUR CRIB SAFELY

For infants less than 12 months of age, follow these practices to prevent suffocation and keep your baby safe:

- Place baby on his/her back in crib with a firm, tight-fitting mattress.
- Do not put pillows, quilts, comforters, sheepskins, pillow-like bumper pads or pillow-like stuffed toys in crib.
- Consider using a sleeper instead of a blanket.
- If you do use a blanket, place baby with feet to foot of the crib. Tuck a thin blanket around the crib mattress, covering baby only as high as his/her chest.
- Use only a fitted bottom sheet made specifically for crib use.

#### CHECK YOUR CRIB FOR SAFETY

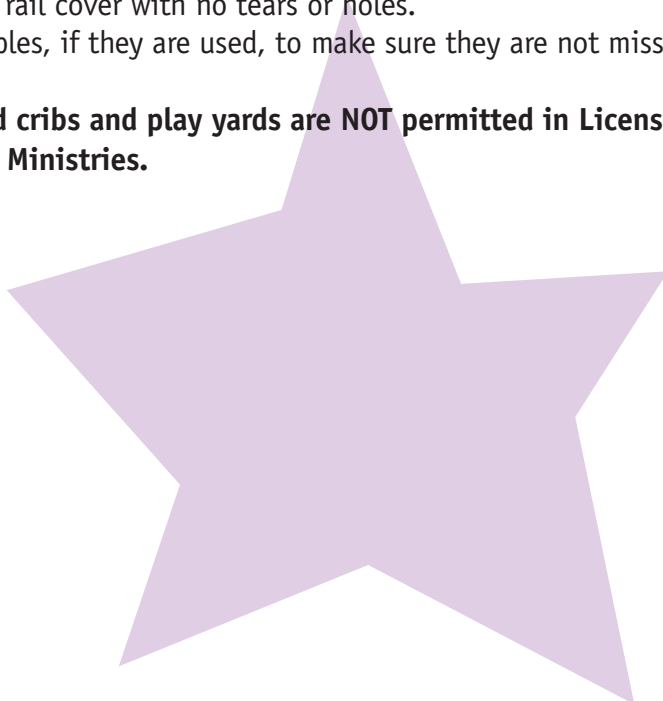
There should be:

- A firm, tight-fitting mattress so your baby cannot get trapped between the mattress and the crib.
- No missing, loose, broken or improperly installed screws, brackets or other hardware on the crib or mattress support.
- No more than  $2\frac{3}{8}$  inches (about the width of a soda can) between the crib slats so a baby's body cannot fit through the slats; no missing or cracked slats.
- No corner posts over  $\frac{1}{16}$  inch high so a baby's clothing cannot catch.
- No cutouts in the headboard or foot board so a baby's head cannot get trapped.

For mesh-sided cribs and play yards, look for:

- Mesh less than  $\frac{1}{4}$  inch in size, smaller than the tiny buttons on a baby's clothing.
- Mesh with no tears, holes or loose threads that could entangle a baby.
- Mesh securely attached to the top rail and floor plate.
- Top rail cover with no tears or holes.
- Staples, if they are used, to make sure they are not missing, loose or exposed.

**Mesh-sided cribs and play yards are NOT permitted in Licensed Centers or Registered Ministries.**







## Get Involved

Call toll-free 800-451-6027 for more information or check out IDEM's web site at [www.in.gov/idem/kids/5star](http://www.in.gov/idem/kids/5star)

The Indiana Department of Environmental Management provides information to child care facilities. Materials include a manual, self-assessment, posters, placemats, magnets, curricula, and more.

IDEM's Children's Environmental Health Initiative  
EPA Office of Children's Health Protection

## TIPS TO PROTECT CHILDREN FROM ENVIRONMENTAL THREATS

### HELP CHILDREN BREATHE EASIER

- Wash children's hands before they eat and wash bottles, pacifiers, and toys often.
- Don't smoke or let others smoke in your home or car.
- Keep your home as clean as possible. Dust, mold, certain household pests, secondhand smoke, and pet dander can trigger asthma attacks and allergies.
- Limit outdoor activity when air pollution is bad such as on ozone alert days.

### PROTECT CHILDREN FROM LEAD POISONING

- Wash children's hands before they eat and wash bottles, pacifiers, and toys often.
- Wash floors and window sills to protect kids from dust and peeling paint contaminated with lead – especially in older homes.
- Run the cold water for 30 seconds to flush lead from pipes.
- Get kids tested for lead – check with your doctor.
- Test your home for lead paint hazards if it was built before 1978.

### PROTECT CHILDREN FROM CARBON MONOXIDE (CO) POISONING

- Have fuel-burning appliances, furnace flues and chimneys checked once a year.
- Never use gas ovens or burners for heat and never use barbeques/grills indoors or in the garage.
- Never sleep in rooms with unvented gas or kerosene space heaters.
- Don't run cars or lawnmowers in the garage.
- Install a UL approved CO detector in sleeping areas.

### PROTECT CHILDREN FROM TOO MUCH SUN

- Have kids wear hats, sunglasses, and protective clothing.
- Use sunscreen on kids over 6 months and keep infants out of the sun.
- Keep kids out of mid-day sun – the sun is most intense between 10am and 4pm.

### KEEP PESTICIDES AND OTHER TOXIC CHEMICALS AWAY FROM CHILDREN

- Put food and trash away in closed containers to keep pests from coming into your home.
- Don't use pesticides if you don't have to – look for alternatives.
- Read product labels and follow directions.
- Use bait & traps instead of bug sprays when you can place the bait & traps where kids can't get them.
- Store where kids can't reach them and never put in other containers that kids can mistake for food and drink.
- Keep children, toys and pets away when using pesticides and don't let them play in fields, orchards and gardens after pesticides have been used.
- Wash fruits and vegetables under running water before eating – peel them when possible.

### SAFEGUARD CHILDREN FROM HIGH LEVELS OF RADON

- Test your home for radon with a home test kit.
- Fix your home if your radon level is 4 pCi/L or higher. If you need help, call 800-644-6999.

### PROTECT CHILDREN FROM CONTAMINATED FISH AND POLLUTED WATER

- Call the local or state health department to learn about any local advisories for limiting the amount of fish to be eaten or beach closings.
- Take used motor oil to a recycling center and properly dispose of toxic household chemicals.
- Find out what's in your local drinking water – call your local water system for your annual drinking water quality report or if you have a private home drinking water well, test it every year.



# The Licensing Process

## STEPS FOR BECOMING A LICENSED CENTER OR REGISTERED MINISTRY

The following information gives the basic steps you should follow to obtain a license or registration for a child care facility.

Please note: Preregistration and reservations are available online at [www.childcarefinder.IN.gov](http://www.childcarefinder.IN.gov) or call the Division of Family and Children Licensing Section (1-877-511-1144) for a licensing or registration packet.

- **Attend the required *Licensing Orientation Training* for new center providers or *Registration Orientation* for new ministry providers.** This training is available on the first Wednesday of every month in the Indiana Government training Center and is **required** for all facilities seeking licensure or registration. Reservations are required; call the Child Care Information Line 1-877-511-1144 for reservations or submit the Registration Form enclosed with the Licensing or Registration Packet or register online at [www.childcarefinder.IN.gov](http://www.childcarefinder.IN.gov).
- **Contact the State Licensing Consultant** for the area in which your center will be located.\* See Map A insert.
- **Identify Financial Resources** for funding your project. The Financial Resources section of this manual is a good place to start.
- **Prepare a Business Plan that includes a Needs Assessment to determine child care demographics in your community.** Refer to the suggested Business Plan on page 13 and your local Small Business Development Center or your local SCORE counselor for guidance. Speak with your local child care resource and referral office for more information.
- **Contact Architect/Engineer/Local Zoning and Local Building Commissioners** to determine an appropriate location and the potential cost of building. Plans must be approved by the State Building Commission and the Indiana State Department of Health. It is recommended that the building architect/engineer attend the Licensing Orientation Training Session.





## THE NEXT STEPS

**Please file two sets of child care center building plans:**

- one with the Fire and Building Services Department
- one with the State Department of Health, Plan Review Office.

**Please note: You must include your architect/engineer's notification that the new construction, expansion or remodeling of an existing building meets the E-3 occupancy codes including water, sewage and plumbing.**

**Child Care Centers - Complete a Licensing Application that includes:**

- Application for Licensure.
- Criminal History Check. This is available online: [www.IN.gov](http://www.IN.gov).
- Statement attesting that applicant has not been convicted or charged with a felony or misdemeanor relating to the health or safety of children.
- Submit a written plan for Nutrition and Food Service including two (2) weeks of menus to the Health Section for approval prior to licensure. This will be resubmitted and reviewed at the time of license renewal.
- Submit a complete written Health Program Form and attachments to the Division of Family and Children Health Section for approval prior to licensure. This will be reviewed at time of license renewal.

**Please note: Prior to opening your new center, the building must pass on-site inspections by the Office of the State Fire Marshal, a State Sanitation Engineer from the FSSA Health Section and your Child Care Licensing Consultant. These inspections will be made annually.**

**Registered Ministries - Complete a Registration Application that includes:**

- Application for Registration.
- Criminal History Check form. This is available online: [www.IN.gov](http://www.IN.gov).
- Notarized attestation form that states the applicant represents the religious organization that will operate and be responsible for the ministry.
- A copy of the IRS determination letter for 501(c)(3) status of the religious organization.
- Check for \$50.00 payable to the "Child Care Fund."
- Septic disposal system approval (if on private septic system) from the Indiana State Department of Health and a well water report (if on private well) approval from the Indiana Department of Environment Management Drinking Water Branch.

**Please note: Prior to opening your registered ministry, the building must pass on-site inspections for sanitation requirements conducted by the Division of Family and Children Health Section. These inspections will be made quarterly. Compliance status will be posted on the certificate each quarter. Registration with the Division of Family and Children and the State Fire Marshal is required annually.**

## STEPS FOR BECOMING A LICENSED FAMILY CHILD CARE HOME

Online services are available at [www.childcarefinder.IN.gov](http://www.childcarefinder.IN.gov). You may preregister for licensing orientation for family child day care homes. A three (3) hour orientation session will be provided at no charge in your local community. For information on date, location and time, please contact: [ot@iaccrr.org](mailto:ot@iaccrr.org). A confirmation will be sent to you directly from IACCRR.

- **Attend an Orientation Training conducted by the local Child Care Resource and Referral Agency.** Contact Indiana Association for Child Care Resource and Referral 1-800-299-1267 to schedule the training.
- **Submit the application to the Licensing Consultant.**
- **Schedule an initial home visit with the Licensing Consultant.**  
The local OFC or Licensing Consultant will either recommend or deny the child care home application.
- **If approved, the applicant will receive a case number from the local OFC.**  
The local OFC Director's signature is required on all recommendations. Licensing recommendations are sent to the Division of Family and Children Licensing Section for final approval and signature by the Director and Deputy Director of the Division of Family and Children.
- **An original license is mailed to the new provider.** A copy of the license is sent to the local OFC and a copy is kept for the Division of Family and Children Licensing Section.
- **As of June 30, 2001, all new child care home providers must have a high school diploma or a GED.** In addition, upon license application, the provider must have completed, or have enrolled in, or agrees to complete within three (3) years, the attainment of a Child Development Associate (CDA) credential. Other college degrees or higher learning experiences will be considered and may exempt the provider from obtaining the CDA. For more information:
  - Contact T.E.A.C.H. (Teacher Education and Compensations Helps) Early Childhood® INDIANA for scholarship information: 800-657-7577 or 317-356-6884.
  - For CDA web-based online learning opportunities contact [www.childcarelearning.IN.gov](http://www.childcarelearning.IN.gov).
  - To locate CDA training in your area, contact your local Child Care Resource and Referral agency at 888-463-5473.

**There are three types of licenses:**

### 1) Regular

- Two-year in full compliance with regulations.

### 2) Provisional

- Provider not fully operational.

### 3) Probationary

- Non compliance does not present threat to health and well being of children.
- Corrective action plan must be submitted to assure correction during probationary period.
- Corrective action plan is approved by DFC.



# A Personal Evaluation

## BEFORE YOU TAKE THE BIG STEP THINK ABOUT:

### YOURSELF

1. Are you the kind of person who can get a business started and make it a success?
2. Do you want a business of your own?
3. Are you willing to work long hours for low wages?
4. Do you have experience working with young children?
5. Do you have basic education for working with young children?

### MONEY

1. Do you know how much money is needed to start your own child care business?
2. Have you estimated your projected income and expenses?
3. How much of your own money can you invest in the business?
4. How much money can you obtain from other sources?
5. Do you know where to borrow needed funds?
6. Do you have a good credit rating?
7. Are start up grants or funds available in your community?

### RECORD KEEPING

1. Have you planned a record keeping system that will detail your income and expenses?
2. Do you know how to prepare tax reports and payments?
3. Have you enlisted the assistance of an accountant with experience in child care finance?

### LAW, REGULATIONS AND YOUR PERSONAL AND PROFESSIONAL LIABILITY

1. Do you have an insurance agent to consult on the types of insurance you need?
2. Do you have an attorney to consult on legal matters?
3. Have you contacted the appropriate state licensing agency? See page 8
4. Have you contacted your local SCORE office? See page 28
5. Have you contacted your local Resource and Referral agency? See page 10
6. Have you developed a Business Plan? See page 13

### COMMUNITY NEED

1. Have you evaluated the competition in the area?
2. Do you have a completed child care needs assessment for your area?

#### Determining Community Need

Number of families in your community \_\_\_\_\_  
Number of working families with children \_\_\_\_\_ 0-6 \_\_\_\_\_ 7-14  
Number of new home starts \_\_\_\_\_  
Number of existing child care facilities and their capacity  
\_\_\_\_\_ centers \_\_\_\_\_ homes \_\_\_\_\_ exempt \_\_\_\_\_ ministries

3. What businesses currently exist in your community?
4. What type of child care services do their employees need?
5. What new businesses are coming into your community?
6. Demographic information and geographic concentration of families with children?
7. Income level of families in your community?
8. School census data?
9. Who are your potential customers?
10. Who will enroll in your child care program?

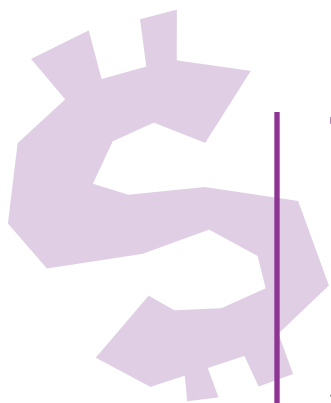


## A Competitive Advantage Checklist

Use the following checklist for a quick comparison of your proposed child care program to other programs in your area.

Parents look for:	Competition	You offer
Location	_____	_____
Operating hours	_____	_____
Adequate parking	_____	_____
Group size	_____	_____
Child/Staff ratios	_____	_____
Qualifications of staff	_____	_____
Separate space for infants	_____	_____
Accommodations for special needs	_____	_____
Nutritious meals/adequate amounts	_____	_____
Discipline policies	_____	_____
Adequate play space	_____	_____
Appropriate equipment	_____	_____
Nurturing atmosphere	_____	_____
Clean, organized and clutter-free environment	_____	_____
Age-appropriate planned activities	_____	_____
Indoor area free of potential dangers	_____	_____
Outdoor area with safe equipment and surface	_____	_____
Area protected by fence	_____	_____





## The Business Plan

Prepared by the U.S. Small Business Administration and SCORE (Service Corps of Retired Executives)

Every business begins with an idea—a product to be manufactured or sold, a service to be performed. Child care is a service. Whatever the business or its degree of complexity, the prospective business owner needs a comprehensive plan in order to transform a vision into a working operation.

The business plan should describe, in writing and in figures, your business and objectives, what you know about the market, how you are going to enter the market, an organizational plan and measurable financial objectives. The plan is used by prospective lenders and investors as a means for evaluating potential success and by the business owner to assess continuously the strength of the operation and its direction. The success of your business depends largely upon the decisions you make. A business plan allocates resources and measures the results of your actions, helping you set realistic goals and make logical decisions. A business plan evaluates your business, directs your actions, helps you in securing resources and also helps you manage the business. Your business plan will be your “map” to reach your goals and objectives. By writing your business plan using this outline, you will realize what is needed to start up and operate a child care center, identify needed funds and most importantly, be better able to deal with a banker to borrow required funds.

The plan needs to be written and divided into five parts. Each part should be on a separate page or pages so that changes can be made in any part without rewriting the entire plan. These parts are:

1. **Goals and Objectives**
2. **Analysis of the Market**
3. **A Description of Your Business**
4. **Financial Data**
5. **Summary of Operations and Management**

### 1. GOALS AND OBJECTIVES

**Why are you going into the child care business?**

**What prior experience have you had in the child care field?**

**What do you want out of your new business?**

- Will you need a salary for yourself?
- Will you be the Director/Administrator?
- If yes, do you meet the licensing requirements?



**What type of child care program will you operate?**

- How big will your program be?
- How many children will you care for?
- Number of employees?

**How will you measure the success of your business?****2. ANALYSIS OF THE MARKET****Child care market**

- Why do you think there is a need for a child care facility in your chosen location?
- What group of people will use your center?

**What is the present status of child care facilities?**

- How is the need changing?
- What is happening to other facilities in the area?
- Analyze information from Step Ahead and Child Care Financing Initiative documents, libraries, other centers and trade publications.

**What uncontrollable influences will affect your child care business?**

- What licenses and regulations are now required or may be required? Economic conditions?
- Will a business/corporate operated center be opened?
- What is the competition, including chains and franchises?

**What will be the portion of the market in which you will locate?**

- Who will actually be your customer?
- What is the number of young children in your area?
- What is the income level of parents in your community?
- Is the number of families of childbearing age changing?
- What percent of the families in your market need child care or now use child care?
- Why will these parents use your service?
- What hours will your clients want child care?
- Can you estimate your annual income received from your child care center?
- Why is it achievable?

**3. DESCRIBE YOUR SERVICE****How will your child care service fit the market?**

- What makes your child care facility unique?
- What will you name your child care facility?
- Explain how your center will specifically satisfy parents' wants and needs.

**How will you set prices?**

- Based on competition, your costs or what the market expects?
- Will you offer discounts? To whom?
- What will be your credit and collection policy?

**How will you promote and sell your child care service?**

- How will you tell your prospective clients about your program?
- Will you advertise? Where, when and how much?
- Who will be responsible for getting customers?







#### **What are the physical aspects of your facility?**

- Where will you locate? Why? Is the zoning appropriate? Will the building pass code inspection?
- Where will you buy equipment, fixtures and daily supplies? What are the terms of payment?

### **4. FINANCIAL DATA**

**Prepare a statement of projected income and expenses.**

**Determine the financial requirements to get started.**

- List all the permanent assets required and the value or cost to obtain each
- List of start up materials and costs
- Equipment
- Building improvements
- Prepaid items (license, insurance, phone deposit, etc.)
- Other assets, if any
- Determine the working capital (cash needs)
- Estimate one time start up expenses (non-asset)
- Estimate monthly revenues and disbursements (cash flow)
- What percent of anticipated enrollment can you count on?
- Estimate a contingency fund - safety factor
- Figure total cash need: Start up expense + Largest cash flow deficit  
contingency fund = Total cash needed

**List the money and/or value of assets you intend to invest in the business (owner equity)**

**Project your financial needs**

- Cash
- Loans
- Income (cash flow)

### **5. SUMMARIZE OPERATION AND MANAGEMENT**

**Who will do what?** Write major job descriptions.

**What will be your legal form of organization?** Do you have an attorney or access to legal services?

**What are your accounting needs?** What records will you keep? Do you have an accountant?

**What are your insurance needs?** Property, Liability, Health

**Identify your major strengths and weaknesses as a child care owner/manager.**

Visit your local Small Business Development Center for more assistance at [www.isbdc.org](http://www.isbdc.org) or your local SCORE office for *No Fee Business Counseling*. Refer to MAP C Insert or [www.scoreindiana.org](http://www.scoreindiana.org).

# Annual Budget Workplan

## CHART 1 START-UP BUDGET

EXPENSE	AMOUNT
<b>Personnel</b>	_____
<b>Occupancy</b>	
Downpayment or purchase of building	_____
Building remodeling costs	_____
Rent deposit	_____
Deposit for Utilities	_____
<b>Equipment</b>	
Office	_____
Program	_____
Installation fee	_____
<b>Supplies</b>	
Program	_____
Office	_____
Housekeeping (toilet paper, cleaning, etc.)	_____
Food Service	_____
<b>Miscellaneous</b>	
Advertising	_____
Food (1st month)	_____
<b>Legal and Professional Fees</b>	
Operating cash	_____
Insurance	_____
Depreciation	_____
	Total _____
<b>Income</b>	Total _____



## OPERATING BUDGET

An **Operating Budget** is prepared when your center or child care home actually opens and begins caring for children. It reflects your priorities in terms of how you spend your money, the expenses you will incur and how you will meet those expenses.

From the moment the door to your new business opens, a certain amount of income will undoubtedly come in. This income, however, should not be projected in your operating expenses. You will need enough money available to cover costs for the first 60 to 90 days, depending on the size and location of your center or child care home. As you estimate your expenses, other centers and child care homes can help you project your actual costs, particularly for such items as telephone and supplies.\*

\*On pages 17-18 is a sample operating budget layout that will help you project your annual operating expenses.



**CHART 2**  
**ANNUAL OPERATING BUDGET**

PERSONNEL	%OF TIME	ANNUAL SALARY	TOTAL
Director/Head Teacher	100	_____	_____
Sec/Bookkeeper	50	_____	_____
Teachers	100	_____	_____
*Aides (1)	100	_____	_____
(2)	50	_____	_____
Cook/Maintenance	100	_____	_____
Fringe Benefits @ 15%			_____
Substitutes @ x minimum wg/hr x no. wks.			_____
<b>Occupancy</b>			
Rent @ \$ amt/month x 12 months			
(number of square feet @ x \$ amt/month)			_____
Heat			_____
Electricity			_____
Telephone			_____
Insurance			_____
<b>Equipment</b>			
Educational			_____
Kitchen			_____
Housekeeping			_____
Office			_____
Depreciation			_____
<b>Supplies</b>			
Educational			_____
Housekeeping			_____
Office			_____
<b>**Food (2 meals &amp; 1 snack)</b>			
(\$ amt x # children x # days)			_____
<b>Other Expenses</b>			
Advertising			_____
Licensing Fees			_____

\* To cut operating expenses, you may be able to find volunteer aides through local community youth employment programs.  
\*\* Food function services as rendered.

## ANNUAL OPERATING BUDGET - CONTINUED

### PERSONNEL

Insurance (liability @ x \$ amt/child/yr)  
Subscription/membership  
Audit

Total

### TOTAL

### Annual Payment on Start Up Loan

Total Expenses

### Income

Parent fees (\*\* assess 90% enrollment)  
(# of children x enrollment % x \$ amt/wk x # weeks)  
Fundraising Donations

Total Income

\*\*\*Since enrollment is rarely consistently 100% a safer estimate is to start at 70% and work up to 80 to 90%.

### Projecting Monthly Operating Expenses

The primary sources of income for your center or child care home will come from fees paid by the parents. It is important to determine if your monthly income will produce enough money to pay each month's bills. An estimated cash flow projection will help you determine this. Use the sample chart to build a worksheet to help you with this problem. In this sample, all income is generated by monthly tuition fees.



## CHART 3

### ESTIMATED CASH FLOW FORECAST

	Cash in Bank (1st Mo.)	2	3	4	5	6	7	8	9	10
Total Cash (1st Month)										
Expected Tuition Fees										
Total Receipts										
Total Cash & Receipts										
Disbursements For Month (rent, loan, util, etc.)										
Cash Balance (End of Month)										



## Financial Resources

### FINANCING TOOLS FOR CHILD CARE FACILITIES

**The Indiana Development Finance Authority (IDFA) and the Family and Social Services Administration (FSSA) have teamed up to offer bank tools and incentives to help fund licensed child care providers.\***

**NOTE:** These are NOT grants, they are loans that you obtain from your lender.  
In most cases, the loans are NOT low-interest.

Often it is difficult for start-up and/or small businesses to access the funding they need; the Indiana Development Finance Authority works with banks to offer several credit enhancement tools. Credit enhancement helps a bank feel more comfortable about making a loan it might not otherwise be able to make. Our most successful credit enhancement tool is the **Capital Access Program (CAP)**. Loans provided by banks using CAP creates a “loan reserve fund” that is established for each bank. The loan reserve fund consists of a contribution (1.5% to 3.5% of the value of the loan) from the lender, the borrower and IDFA, which is accessed in the event a borrower defaults on a loan. Loans that the bank elects to enroll in the CAP may be used for improvements, to purchase new equipment or for working capital. IDFA can triple its contribution to the loan reserve fund when the borrower is licensed, which makes the loan even more attractive for banks. Loans using the CAP are more expensive than conventional loans but can make funding available if the borrower does not qualify for a traditional loan.

#### How CAP works:

	Typical loan enrolled in CAP		Child Care business loan enrolled in CAP
Loan amount	\$ 20,000		
Example: CAP match of 1.5% equals	\$ 300		
1.5% from borrower	\$ 300		\$ 300
1.5% from lender	\$ 300		\$ 300
3.0% from IDFA	\$ 600	<b>X3</b>	\$ 1,800
Total paid into loan reserve fund	\$ 1,200		\$ 2,400

IDFA can also issue **bonds** for building child care facilities (typically for projects in excess of \$100,000), financing capital assets such as land, buildings and equipment purchases. Please call if you are interested in participating in a pooled bond program to help finance your child care project.

**If you would like more information about the options for child care facilities, please visit the IDFA web site at [www.in.gov/idfa](http://www.in.gov/idfa).**

**\*All child care facilities, homes or ministries must be licensed or in the process of becoming licensed to participate in the CAP program.**





**To assist the Indiana Development Finance Authority and our enrolled banks in providing loans to qualified child care providers, the following form must be completed by the provider seeking financing and verified by Division of Family and Children Licensing Staff, located at: 402 W. Washington Street, W394, Indianapolis, Indiana 46204 and returned to your lender.**

Name\_\_\_\_\_

Address\_\_\_\_\_

County\_\_\_\_\_

Phone Number\_\_\_\_\_

Business Name\_\_\_\_\_

Business Phone Number\_\_\_\_\_

Is child care business a  
home\_\_\_\_\_ center\_\_\_\_\_ or a registered ministry?\_\_\_\_\_ (check one)

How many children are cared for at this site?\_\_\_\_\_

Employee Identification Number (EIN) or  
Social Security Number \_\_\_\_\_

New or Existing Business\_\_\_\_\_

Please copy this page,  
fill-out the top portion  
and mail to:

Keith Carver,  
402 W. Washington Street,  
W394  
Indianapolis, Indiana  
46204



**This part of the Form is to be completed by Division of Family and Children Licensing Staff:**

Keith Carver, 402 W. Washington Street, W394, Indianapolis, Indiana 46204

Child Care Center License Application ID Number: \_\_\_\_\_

Child Care Ministry License Application Number: \_\_\_\_\_

DFBS-Department of Fire and Building Services:

Construct Design Release (CDR) Approved: Date \_\_\_\_\_ # \_\_\_\_\_

Child Care Home ID Number\_\_\_\_\_

Health Plan Review: Date\_\_\_\_\_

Verified By:

Name of Person\_\_\_\_\_

Title and Date\_\_\_\_\_

A copy of approved license is to be filed with the:

Indiana Development Finance Authority  
One North Capitol Suite 900  
Indianapolis, Indiana 46204  
Phone: 317-233-4332 Fax: 317-232-6786

**Please Note: Any change to the building after plans have been approved by the state's licensing agencies will require resubmission of building plans to Division of Family and Children Licensing Section.**



## **FREQUENTLY ASKED QUESTIONS:**

### **Will this result in a lower interest rate?**

CAP is used to finance loans that are not eligible for regular bank loans. The bank sets the interest rate on these loans.

### **Does the bank have to give me a loan?**

While CAP provides additional security, the bank still makes all decisions on the loan.

### **Does the “reserve” mean that I have less money to pay back?**

The “reserve” acts as security on the loan for the bank; it does not reduce the amount you will receive or repay.

### **What amount can be enrolled in CAP?**

Any size loan may be enrolled in CAP.

### **What can I use this money for?**

The great feature about CAP is that it can be used for operating expenses, building needs, equipment purchases or anything related to your business as long as your bank approves it.

### **Do I have to be licensed to be eligible for these programs?**

Yes, all family child care homes, child care centers and ministries must be licensed, registered or certified to be eligible for this financing.

**If you would like more information about the options for child care facilities, please contact IDFA at 317-233-4332 or online at [www.in.gov/idfa](http://www.in.gov/idfa).**





## INDIANA DEPARTMENT OF COMMERCE

Contact the Community Development Division at 800-824-2476 or 317-232-8911 to be referred to the field representative that serves your county for more information on the following programs.

### COMMUNITY FOCUS FUND

The Community Focus Fund (CFF) is a federally funded grant program available to small cities, towns and counties for construction projects to benefit low-to-moderate income individuals or to eliminate blight in communities. Eligible projects include infrastructure improvements, downtown revitalization, child care and senior citizen centers, fire trucks and fire stations. Up to \$500,000 is available per applicant. Grants are awarded twice a year through competitive funding rounds and require at least a 10% local match.

### COMMUNITY FOCUS FUND — PLANNING GRANT

The CFF planning grant program complements the CFF program and is a federally funded grant program available to small cities, towns and counties for planning activities. Eligible planning activities include preliminary architectural and engineering designs, environmental review and assessments and functional plans for land use. Up to \$50,000 is available per applicant. Applications are accepted on a monthly basis, but applicants must submit a letter of intent one month before submitting the application.

### NEIGHBORHOOD ASSISTANCE PROGRAM

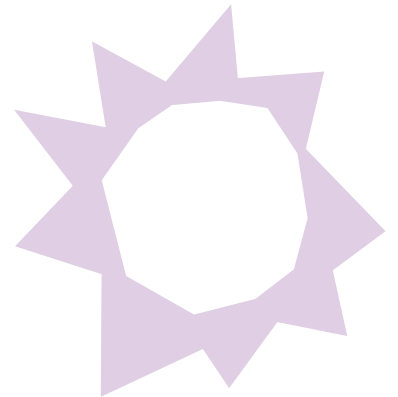
Neighborhood Assistance Program (NAP) is a state tax credit to encourage private investment in community projects. The program objective is to build public private partnerships for neighborhood based projects and to benefit economically disadvantaged individuals and areas. Eligible activities and applicants include low- and moderate-income housing projects; business district revitalization; and human service programs. Applicants must be not-for-profit organizations and applications are due June 1 of each year.

## U.S. DEPARTMENT OF AGRICULTURE RURAL DEVELOPMENT

For more information on the following programs, contact the Department of Agriculture Rural Development Program at 317-290-3110.

### COMMUNITY FACILITIES GRANT, LOAN GUARANTY AND DIRECT LOAN PROGRAMS

Each of these financing options is available to develop community facilities for public use in rural areas and towns of not more than 50,000 people. Funds may be used to construct, enlarge or improve facilities for child care. Funds may also be used for equipment necessary to the operation of these facilities and to pay other necessary costs connected with them.





## **NEW!**

### **RURAL BUSINESS ENTERPRISE GRANTS**

Rural Business Enterprise Grants help public bodies, nonprofit corporations and Federally recognized Indian tribal groups finance and facilitate development of small and emerging private business enterprises located in rural areas (this includes all areas other than cities of more than 50,000 people and their immediately adjacent urban or urbanizing areas). Grant funds can pay for the acquisition and development of land and the construction of buildings, plants, equipment, access streets and roads, parking areas, utility and service extensions, refinancing and fees for professional services. Grant funds can also pay for technical assistance and related training, startup costs and working capital, financial assistance to a third party, production of television programs targeted for rural residents and for rural distance learning networks.

### **BUSINESS AND INDUSTRY GUARANTEED LOANS**

This loan is available to improve, develop or finance business, industry and employment in an effort to favorably impact the economic and environmental climate of rural communities with less than 50,000 population. Quality loans by private lenders which will provide lasting community benefits will be guaranteed. Both start-up and existing businesses may qualify. Funds may be used for business and industrial acquisitions, construction, conversion, expansion, repair, modernization or development costs; purchase of equipment, machinery or supplies; start-up costs and working capital, refinancing for viable projects, processing and marketing facilities; pollution control and abatement; hotel, motel, restaurants. New businesses need a minimum of 20-25% equity; existing businesses need a minimum of 10% equity. Collateral required to secure entire loan.

## **FAMILY AND SOCIAL SERVICES ADMINISTRATION**

### **CHILD CARE DEVELOPMENT CHILD CARE FUND (CCDF) VOUCHER PROGRAM**

Parents who need financial assistance to help pay for their child care expenses can be referred to the Child Care and Development Fund (CCDF) intake agent. Parents can choose from available licensed, registered or legally license-exempt child care such as center-based, school-age, family child care, relative care and ministry care that meet applicable state requirements. If funds are available, the intake agent will determine if the family is eligible for the program.

**For additional information, please contact the Bureau of Child Development/  
Division of Family and Children in the Family and Social Services  
Administration at 317-232-1144.**

Please note: For providers serving voucher children, there are higher reimbursement rates based on the level of quality provided. Licensing, accreditation and voluntary certifications are reimbursed at higher rates. Special needs child care providers also receive an increased reimbursement rate based on medical documentation. For additional information on this tiered reimbursement process, please call your local child care resource and referral agency. For the voucher/intake agent in your community, visit [www.childcarefinder.IN.gov](http://www.childcarefinder.IN.gov).

**NEW!**

## **INDIANA'S COMMUNITY CHILD CARE INITIATIVE**

**A PROJECT OF THE INDIANA CHILD CARE FUND, INC.**

***A NEW GENERATION OF THE INDIANA CHILD CARE SYMPOSIUM***

The Indiana Child Care Fund, Inc. was officially launched in 1997 by Governor O'Bannon and corporate leaders for the purpose of increasing quality child care capacity and to improve existing child care through partnerships between the public and private sectors. The Indiana Child Care Fund is committed to working closely with county child care initiative teams, corporate and private sector investors and the state's Family and Social Services Administration and all state agencies interacting with the needs of working families, to significantly enhance the child care delivery system throughout the state to provide the highest quality of care for children of working parents.

### **THE COMMUNITY CHILD CARE INITIATIVE AT A GLANCE**

The Community Child Care Initiative is a partnership between the Indiana Child Care Fund, Inc. (ICCF), the Indiana Family and Social Services Administration and communities across the State of Indiana. This partnership will provide financial assistance to aid local communities in their efforts to develop comprehensive strategies to improve the quality of child care, mobilize the financial resources needed to successfully deploy those strategies and to demonstrate significant results that directly benefit Hoosier children. This Community Child Care Initiative will offer access to funding and to a complete set of tools that will assist communities in mobilizing the resources: time, talent and assets necessary to build a community case for quality child care that serves the needs of families and children across Indiana.

### **ASSESSING COMMUNITY CHILD CARE NEEDS**

Participating in a community-wide assessment of child care needs is a required activity of the Community Child Care Initiative. Applications will be evaluated on the strength of the needs assessment, the identification of community child care priorities and the ability of the community partnership to align local resources to address community priorities.

### **AVAILABILITY OF FUNDING**

Community partnerships are eligible to apply for funding in a range from **\$25,000** to **\$100,000** for projects that address one or more of the targeted quality improvement areas and are identified in the local child care needs assessment. Requests for funding must demonstrate at least one dollar of local match for every two dollars requested. No more than fifty percent of the identified local match can be in the form of in-kind contributions. Allowable project costs will be paid on a reimbursement basis only.

**For more information on the Indiana Child Care Fund, Inc., please contact Tina Mahern at [tmahern@Inchildcarefund.org](mailto:tmahern@Inchildcarefund.org) or 317-634-0092.**





## Education Resources

### INDIANA DEPARTMENT OF EDUCATION

#### THE CHILD AND ADULT FOOD PROGRAM

The Child and Adult Care Food Program (CACFP) helps provide nutritious meals to children twelve years of age and younger and to some adults in day care settings. All approved CACFP participant facilities are eligible for reimbursement of meals that meet the U.S. Department of Agriculture standards for the components and quantities of foods served to eligible participants.

**For additional information or to receive an application for participation in this program, please contact Indiana Department of Education, School and Community Nutrition Programs, Child and Adult Care Food Program at 317-232-0870.**

#### Title I - supported Preschool Program:

Many school districts support preschool programs with their Title I (Education for the Disadvantaged) funds.

#### Early Reading First:

This program provides competitive grants to school districts and preschool programs, such as Head Start centers. The grants fund the development of model programs to support the school readiness of preschool aged children, particularly those from low-income families. Program activities will prepare teachers to provide high quality language, literacy and pre-reading activities.

#### Even Start:

This program supports projects that provide educational services to low-income families, including parents eligible for services under the Adult Educational and Family Literacy Act and their children from birth through age 7. The program improves the educational opportunities of children and their parents in low-income areas by integrating early childhood education, adult education and interactive literacy activities between parents and their children into “family literacy” programs.

#### Special Education Preschool Grants and State Grants:

This program, along with 6% of Special Education State grants, provides formula grants to states to make available special education and related services for 3-to 5-year-old children with disabilities. It supports early childhood programs that provide services needed to prepare young children with disabilities to enter and succeed in school. The Preschool Grants program provides a developmental bridge between early intervention services and elementary school.

**For more information on Department of Education Early Education programs, please contact Jayma Ferguson at Indiana Department of Education/Prime Time: [Jferguso@doe.state.in.us](mailto:Jferguso@doe.state.in.us).**

## EARLY HEAD START/HEAD START

Early Head Start and Head Start programs are directly funded by the federal Department of Health and Human Services, Administration for Children and Families. These programs provide comprehensive services to low income children and their families. Services include early childhood education, health and nutrition, disabilities services, parent education and involvement opportunities. The DHHS funding source mandates eligibility, i.e., family income must be at or below the federal poverty guidelines.

Early Head Start programs serve children birth to age three. Currently there are only 22 counties in the state funded to provide Early Head Start. Head Start programs serve children ages three to five. Every county in Indiana is served by a Head Start program. Nearly 13,000 Indiana children are served by Early Head Start and Head Start programs.

In recent years Early Head Start and Head Start programs have been seeking other community early education entities as partners in child care. If you would like to know more about these programs or locate your local program, contact: the Indiana Head Start Association, (317) 916-0810, fax: (317) 634-7947, [www.headstartindiana.org](http://www.headstartindiana.org); or the Indiana-Head Start Partnership office at the state (317) 233-6837.





## Technical Assistance Resources

The following agencies and organizations are available to assist you in starting your child care business.

### INDIANA ASSOCIATION FOR CHILD CARE RESOURCE AND REFERRAL (IACCRR)

The Indiana Association for Child Care Resource and Referral (IACCRR) is a statewide organization whose mission is to ensure comprehensive delivery of child care resource and referral services as mandated by the national affiliate, the National Association of Child Care Resource and Referral Agencies (NACCRRA).

IACCRR provides technical assistance and support to all local Child Care Resource and Referral agencies throughout the state. The agency:

- Serves as a resource to parents, informing them about child care options in their area and matching them with providers who best meet their needs.
- Recruits, supports and offers training to new and existing child care providers in a variety of areas.
- Assists local employers in identifying and addressing employee child care needs.
- Acquires, records and compiles Indiana child care capacity data.

For the agency nearest you, contact IACCRR at 317-924-5202 or 800-299-1627 [www.iaccrr.org](http://www.iaccrr.org).

### INDIANA ASSOCIATION FOR CHILD CARE RESOURCE AND REFERRAL (IACCRR), SCORE (SERVICE CORPS OF RETIRED EXECUTIVES), FAMILY AND SOCIAL SERVICES ADMINISTRATION (FSSA)

#### “CHILD CARE BUSINESS START UP WORKSHOPS”

The Indiana Association for Child Care Resource and Referral Agencies, together with local child care resource and referral agencies and SCORE’s local chapters offer “The Business Side of Child Care” workshops. These workshops will be advertised at state and local Licensing Orientation Sessions.

- New providers will be offered a SCORE Counselor to assist them in starting their child care business and accessing needed funding.
- New providers will be offered a SCORE Counselor to assist them in accessing the new Facility Financing loan program.

For further information, call Betty Williams at SCORE (317-226-7264), Marshia Stippich at FSSA (317-234-1390) [mstippich@fssa.state.in.us](mailto:mstippich@fssa.state.in.us) or Marsha Thompson at IACCRR (1-800-299-1627) [mthompson@iaccrr.org](mailto:mthompson@iaccrr.org).



## INDIANA BUSINESS PARTNERSHIP SPECIALISTS (BPS)

The Indiana Family and Social Services Administration (FSSA), the Indiana Association For Child Care Resources and Referral (IACCRR) and the Indiana Child Care Fund (ICCF) have entered into a partnership to manage the “Indiana Business Partnership Specialist Project.” The objective of this project is to continue Indiana’s support of local community efforts in fostering collaborative relationships among private and public partners to enhance the quality, affordability and accessibility of child care.

Business Partnership Specialists will:

- Consult with corporations on a variety of financial incentives including:
  - Tax-Preferred Dependent Care Assistance Program (DCAP)  
The federal Internal Revenue Code allows employers who have established a written, qualified dependent care assistance program (DCAP) to exclude child or dependent care benefits provided to their employees, in an amount up to \$5,000 per employee, from federal income, FICA and unemployment taxes.
  - Employer Tax Credits for Child Care supports for employees.
- Educate the community on work/life issues.
- Advise community organizations of local employer child care interests.
- Work with local child care resource and referral agencies to deliver enhanced resource and referral services to employers.

**For more information on these investment strategies, refer to the Indiana Business Partnership Specialist (BPS) MAP D insert. For general information, contact Jan Keltz at IACCRR 1-800-299-1627 or e-mail [jkeltz@iaccrr.org](mailto:jkeltz@iaccrr.org).**

## SERVICE CORPS OF RETIRED EXECUTIVES (SCORE)

### WHAT IS SCORE?

SCORE, the Service Corps of Retired Executives, is a 13,000 member volunteer association sponsored by the U.S. Small Business Administration. Since 1964, the association has matched volunteer business-management counselors with clients in need of expert advice. SCORE has experts in virtually every area of business management and maintains a national skills roster to help identify the best counselor for a particular client. Volunteer counselors, whose collective experience spans the full range of American enterprise, share their management and technical expertise with both present and prospective small business owners.

### WHAT CAN SCORE DO FOR YOU?

Through in-depth counseling and training, SCORE volunteers help prospective and established small business owners and managers identify problems, determine their causes and find solutions. SCORE can:

- Link you with a mentor/counselor to assist you with the business aspects of child care.
- Link you with business resources that can assist you with tasks like filling out legal forms.
- Provide you with resources to help with operating a business.
- Provide you with helpful information on taxes, insurance, record keeping, marketing and business planning.
- Offer workshops on running a small business.

**For more information on Counselors please refer to the SCORE MAP C insert for the chapter nearest you. For more information on SCORE, please contact [www.score.org](http://www.score.org).**







## NEW!

### SMALL BUSINESS DEVELOPMENT CENTER PROGRAM

The U.S. Small Business Administration (SBA) administers the Small Business Development Center Program to provide management assistance to current and prospective small business owners. There are now 58 small business development center programs with a network of nearly 1,000 service locations. The program is a cooperative effort of the private sector, the educational community and federal, state and local governments. It enhances economic development by providing small businesses with management and technical assistance.

SBDC assistance is tailored to the local community and the needs of individual clients. The SBDC Program is designed to deliver up-to-date counseling, training and technical assistance in all aspects of small business management. SBDC services include, but are not limited to, assisting small businesses with:

- Developing business plans;
- Identifying financing resources;
- Assistance with marketing and advertising your business;
- Learning to deal with human resource issues;
- Providing information on tax and legal issues;
- And feasibility studies.

For more information or to find the regional center nearest you, go to [www.isbdc.org](http://www.isbdc.org).

### CINERGY CORPORATE MENTOR INITIATIVE

Cinergy Corporation is an initial and founding corporate champion of the Indiana Child Care Fund, Inc. The corporation's community and economic development managers have served as corporate mentors for the past five years. This Mentor Initiative is recognized as a national model for hands-on involvement by the corporate community in providing business and community expertise to local community child care planning teams in financing, budgeting, marketing and 'opening the doors' to the business community. Cinergy mentors are the corporation's community and economic development managers. For more information on the Cinergy Corporate Mentor Initiative, call Suzane Bradley at 513-287-2858 or e-mail [sbradley@cinergy.com](mailto:sbradley@cinergy.com).

## NEW!

### TAX CREDITS

### TAX CREDIT SHOULD INCREASE CHILD CARE OPTIONS

**Effective January 1, 2002, businesses providing child care receive a 25% tax credit on expenses for employee child care and a 10% tax credit on expenses for child care resources. The maximum tax credits \$150,000 a year.**

Tax credits are not just for big businesses anymore. As a result of the Child Care Infrastructure Act, now even small companies may be able to offer some type of child care assistance for their employees. Allowable expenditures for the tax credit under the new act include:

- Any contract with a qualified child care facility to provide child care for employees
  - Reimbursements to employees for before/after school care, associated transportation and holiday programs including educational/recreational and camp programs
  - Funds to acquire, construct, rehabilitate or expand property for a licensed child care facility
  - Operating costs including employee training, scholarships and raises
  - On-site parenting seminars and emergency back-up care contracts:
- Resource: Katz, Sapper & Miller at (317) 580-2080.



## Professional Development/Education Resources

The most critical indicator of quality child care is the level of education of child care providers. The following Education and Professional Development Assistance is available to you.

### T.E.A.C.H. EARLY CHILDHOOD® INDIANA SCHOLARSHIPS

The T.E.A.C.H. (Teacher Education And Compensation Helps) Early Childhood® INDIANA is an umbrella for a variety of scholarship opportunities for people working in licensed, registered or exempt child care centers and homes in Indiana. T.E.A.C.H. Early Childhood® INDIANA assists teachers, directors and family child care providers in going back to school to receive more education and provides increased compensation with more education.

T.E.A.C.H. Early Childhood® INDIANA, the participants and their sponsoring child care program each pay a portion of the cost. Funding for T.E.A.C.H.'s portions of the cost has come from the Indiana Child Care Fund through contributions by foundations, corporations, the higher education community and federal funds.

Any teacher, director or family child care home provider working in a state regulated child care setting is eligible to apply for one of the following three scholarships. [www.iaeyc.org](http://www.iaeyc.org).

#### **Please note: New Family Child Care Administrator Educational Requirements:**

A high school diploma or a high school equivalency certificate (GED) plus documentation that the licensee has completed, enrolled in or agrees to complete within 3 years, a Child Development Associate (CDA) credential program or a similar program approved by the Division of Family and Children. T.E.A.C.H. scholarships are available to assist providers in meeting these education requirements. These education opportunities may be accessed at local college campuses or through the new online Child Care Learning program. [www.childcarelearning.IN.gov](http://www.childcarelearning.IN.gov).

#### **1. The Child Development Associate (CDA) Scholarships**

T.E.A.C.H. Early Childhood® INDIANA scholarships are available for the entire CDA Credentialing Program. The Child Development Associate (CDA) National Credentialing Program is designed to provide performance-based training, assessment and credentialing of child care staff, home visitors and family child care providers who work with children from birth through age five.

The CDA credential is awarded to an individual who has successfully completed a CDA Assessment, which requires applicants: be 18 years of age or older; hold a high school diploma or GED; have 480 hours of experience working with children within the past five years; and have 120 clock hours of formal child care education within the past five years.

#### **2. The Child Development Associate Assessment Scholarships**

T.E.A.C.H. Early Childhood® INDIANA Scholarships are available for the CDA Assessment phase of the credentialing program.

#### **3. Early Childhood Associate Degree T.E.A.C.H. Scholarship**

The T.E.A.C.H. Early Childhood® INDIANA offers scholarships for child care providers to take classes that apply toward an Associate Degree (AAS) in Early Childhood Education. Scholarships are available to center teachers, directors and family child care providers who are working in a state regulated or registered child care facility.

**For more scholarship information, contact the T.E.A.C.H. Early Childhood® INDIANA offices at 317-356-6884 or 800-657-7577 and [www.iaeyc.org](http://www.iaeyc.org).**





## NEW!

### CHILD CARE LEARNING: AN ONLINE CHILD DEVELOPMENT ASSOCIATE (CDA) CREDENTIAL TRAINING PROGRAM

**Child Care Learning (CCL)** was developed to address the needs of providers statewide with limited financial means and/or residing in areas with limited or no access to traditional, on-going education. FSSA initiated the CCL pilot for Web-based delivery of early childhood education in June 2001. Since implementation CCL has expanded its curriculum offered via distance learning with a full implementation of a unique mentor component, planned tuition subsidies, an early literacy and a child care business management component and a comprehensive evaluation of web-based delivery.

#### State Partners:

The Indiana Child Care Fund, Indiana Head Start, Access Indiana and the Indiana Association for the Education of Young Children - T.E.A.C.H. (Teacher Education And Compensation Helps) Early Childhood® INDIANA are partners in the online program initiative. Ivy Tech State College and Saint Mary-of-the-Woods College provide current and prospective child care providers an avenue for education and professional recognition of their skills. The Child Care Learning program does not require a student to become a degree-seeking student at either college.

#### Financial support:

T.E.A.C.H. Early Childhood® INDIANA project offers scholarships to CCL participants to assist with the cost of tuition and books, including a travel stipend and paid release time, allowing participants time to study. Information regarding scholarships and Federal and State Student Assistance is provided. Please visit [www.childcarelearning.IN.gov](http://www.childcarelearning.IN.gov).

### STATE STUDENT ASSISTANCE COMMISSION OF INDIANA

The State of Indiana, through the SSACI, offers assistance to its college-bound citizens. To apply for Indiana grants and scholarships and federal aid programs, students must complete a Free Application for Federal Student Aid (FAFSA). The FAFSA is the core document necessary to apply for all types of student financial aid available through the state and federal governments as well as the colleges and universities. The completed FAFSA must be returned to the federal government and only the federal government. Do not send a copy to SSACI or your college. You can obtain a FAFSA from the school you plan to attend.

**For online information, go to [www.in.gov/ssaci](http://www.in.gov/ssaci). For more information, contact Federal Student Aid Information at 1-800-433-3243.**

### FEDERAL PELL GRANTS

**What is a Pell Grant?** Federal Pell Grant money, unlike a loan, does not have to be repaid. Pell Grants are awarded only to undergraduate students who have not earned a bachelor's or professional degree. Pell Grants provide a foundation of financial aid to which other aid may be added.

**How do you qualify?** To determine if you are eligible financially, the U.S. Department of Education uses a standard formula, established by Congress, to evaluate the information you report when you apply.

#### How much money can you get?

You can receive only one Pell Grant in an award year. How much you get will depend not only on your financial need, but on the cost of attendance, whether you are a full or part-time student and whether you attend the school for a full academic year or less.

**How will you be paid?** Your school can either credit the Pell Grant funds to your school account, pay you directly or combine these methods.



## General Contact Information

**The following state agencies are resources to help providers in licensing, financing and creating successful child care businesses. Keep this contact information available to refer to throughout the child care licensing process.**

Small Business Development Center . . . . .	317-284-2820
Cinergy Corporate Mentor Program . . . . .	513-287-2858
Family and Social Services Administration (FSSA)	
Licensing and Health Section . . . . .	1-877-511-1144
Child Care Voucher Program . . . . .	317-232-1144
Child Care Quality and Access . . . . .	317-232-1148
Child Protective Service . . . . .	1-800-562-2407
Indiana Association of Child Care Resource and Referral (IACCRR) . . . . .	1-800-299-1627
Indiana Department of Agriculture Rural Development . . . . .	317-290-3110
Indiana Department of Commerce . . . . .	1-800-824-2476
Indiana Department of Education/Child Care Food Program . . . . .	317-232-0870
Indiana Department of Environmental Management (IDEM) . . . . .	1-800-451-6027
Indiana Department of Environmental Management	
Drinking Water Branch . . . . .	317-308-3340
Indiana Development Finance Authority (IDFA) . . . . .	317-233-4332
Indiana Online Learning Project . . . . .	317-234-1390
SCORE (Service Corps of Retired Executives) . . . . .	317-226-7264
State Office Building Commissioner . . . . .	317-232-1421
State Office of the Fire Marshal . . . . .	317-232-2222
State Health Department, Plan Review Office . . . . .	317-233-7177
Student Financial Aid . . . . .	1-800-433-3243
T.E.A.C.H. Early Childhood® INDIANA . . . . .	317-356-6884





Indiana Family and Social Services Administration (FSSA)

Indiana Development Finance Authority (IDFA)

SCORE - Service Corps of Retired Executives

Indiana Association of Child Care Resource and Referral (IACCRR)